

**Arizona Corporation Commission  
Meeting Minutes**

DATE: November 18, 2005

TIME: 9:30 a.m.

PLACE: Arizona Corporation Commission, Hearing Room, 1200 W. Washington Street, Phoenix, Arizona 85007

ATTENDANCE: No quorum of Commissioners. See attendance list on Attachment 1.

TOPIC: DISTRIBUTED GENERATION WORKSHOPS  
DOCKET NO. E-00000A-99-0431

The following documents were provided at the workshop:

- Staff's Draft Discussion Document dated November 18, 2005
- FERC Large Generator Interconnection Procedure Appendix 2-Interconnection Feasibility Study Agreement
- Draft Committee language for various sections of the Staff Discussion Document
- Draft Committee language regarding the Level 3 Study Track Process

Ms. Barbara Keene of Commission Staff welcomed the participants of the workshop, and each participant made a self-introduction. Ms. Valerie Rauluk of the Greater Tucson Coalition for Solar Energy provided a presentation on behalf of the Committee. The Committee provided two documents that included draft language for various sections of the Discussion Document.

Ms. Rauluk discussed that the title used for Section 1.2 "Categories of Generators" should be changed to "Description of Interconnection Levels/Tracks" and that Level 2 Fast Track would break at 2 MW based on FERC's requirements. In addition Level 1 Super Fast Track would only need to meet screens (e) through (f).

It was discussed that Section 1.3 Screens is no longer a hot topic. The word "facility" should be added after "customer" under part (a) of this section. It was also discussed that "this" and "is" in the last sentence of this section should be changed to "these" and "are."

The Committee is continuing to work on Section 1.4 Distributed Generation Types.

Section 2.2 had been discussed by the Committee. **The DG Advocates indicated that they had some draft language to submit to the full working group for this section.**

In regard to Section 2.4 Insurance, it was discussed that the Utilities would be able to obtain information about insurance requirements based on questioning current customers with DG facilities.

Section 2.5 Non-Circumvention was discussed at length. It was decided that it would not be possible to achieve group consensus on this issue. The language in the Discussion Document reflects the DG Advocates position. **Staff requested that interested parties e-mail written position statements to Staff regarding the proposed language for Non-Circumvention.** Staff will recommend a position on this issue in the final document to be submitted to the Commission for approval.

Section 2.6 Force Majeure was discussed. **Pauline Foley of APS and Chris Cook of Sun Edison will submit language for this section to the full working group.**

It was also discussed that “Prior to Applying” under Section 3.2 General Process and Procedures of the Committee proposed language should be removed from this section and inserted into Section 3.8 Pre-Interconnection Studies under section (a) of the Study Process (APS Language) and should also be placed at the beginning of Levels 1 and 2.

It was discussed that, under section 3.3 Documentation Requirements, the Discussion Document spells out the documentation requirements, but due to differing requirements among utilities, this language should instead refer to each utility's application. The Committee provided revised language for this section. It was decided that the words “and testing company” be removed.

Section 3.4 Equipment Certification was discussed at length. The Discussion Document currently contains language options from the DG Advocates and the Utilities. It was discussed that the two options were not that much different from each other. However, Chris Weathers indicated that many larger generators are not certified. It was decided that Staff would work on merging the different options in this section together.

Under Section 3.5 Expedited Process for Small Generators, the Committee presented revised language that is still under consideration by the Committee for the Level 1 Super Fast Track process. It was discussed that under the last paragraph of section (i), “applicable” would be changed to “above”, “or as a result of a code violation” would be added, and “significantly” would be added before “in”. The parties agreed to review this language and discuss it in Committee. The Level 2 Fast track Process had not yet been submitted to the full working group.

Section 3.8 Pre-Interconnection Studies was discussed. The group agreed that this section should be deleted with the exception of the APS language under the “Study Process” title and the “Prior to Applying” language that was incorporated from Section 3.2. It was also discussed that the draft Level 3 Study Track process draft language would become a new Section 3.6 and the remaining language in Section 3.8, Pre Interconnection Studies, should be made part of the new Section 3.6.

Under Level 3 Study Track Process language proposed by the Committee, it was discussed that certain provisions in the section are still under consideration. The group could not come to agreement on the issue of the review of a certified generator's protection equipment, as well as a provision for a charge to the DG applicant for such a review. Bryan Gernet of APS indicated that a certified generator does not exist and that inverters are the only equipment that is certified. Chris Cook indicated that it is an issue of cost, and a study of protection equipment should not be done if the equipment has been certified. These issues are footnoted at the bottom of the first page of the Level 3 track process draft dated. **Staff requested that the parties provide position papers on these two issues.**

Under Level 3 Study Track Process language proposed by the Committee, it was decided that "Prior to Applying" under Section 3.2 General Process and Procedures of the Committee language should be inserted before Section (a) of the draft Level 3 Study Track Process language proposed by the Committee. It was also discussed that language proposed by Bob Baltes of the Distributed Energy Association of Arizona be added as a new section between sections (c) and (d). The new section would say the following:

**Acknowledgement Letter.** The UDC will provide an acknowledgement letter following the scoping meeting upon request from the customer. The letter will describe the project scope and include a good faith cost estimate by the UDC.

**The parties agreed to review the proposed language and discuss it at the next working group meeting.**

It was also discussed that under section (d) Feasibility Study, of the Level 3 Study Track Process language proposed by the Committee, the group would address the options of adopting language that indicates "if deemed necessary by either party" or "if deemed necessary by the Customer." **The group agreed to discuss this issue at the next meeting.**

Under section (e) Impact Study, of the Level 3 Study Track Process language proposed by the Committee, the deadline on the impact study was changed from 10 business days to 15 business days. Also language should be added in that same sentence that indicates "or after scoping meeting if no feasibility study is done." Also, "detailed" should be removed before "cost estimate" and "within  $\pm 25\%$ " should be changed to "targeted within a range of  $\pm 25\%$ ." Also, the reference to a "compliance tariff" should be replaced with "technical manual."

Under section (f) Facilities Study, of the Level 3 Study Track Process language proposed by the Committee, "after completing the impact study" should be removed and replaced with "following the scoping meeting or prior study, whichever is later." Also under section (f), "provides all requested customer information to complete the study" should be added to the last sentence of the first paragraph. This change should also be made in sections (d) and (e).

Under section (g) Execute Interconnection Agreement, of the Level 3 Study Track Process language proposed by the Committee, it was discussed that “3 days” was not workable and therefore it should be replaced with “10 days”. It was also discussed that the last sentence of sub part (i) would be deleted. In addition, the following language should be added; ”following receipt of the final drawings from the customer or 10 days after the facilities study, which ever is later.”

Under section (h) Inspection and Testing, of the Level 3 Study Track Process language proposed by the Committee, it was discussed that the utility should have the right to fail the site inspection. This language is also found in the Level 1 draft language. **This issue will be discussed within the Committee.**

Under Section (j) Correction if Necessary, of the Level 3 Study Track Process language proposed by the Committee, it was decided that this section should be modified to reflect that there may be a discrepancy between the site and documentation. **This issue will be discussed within the Committee.**

Under Section 3.10 Dispute Resolution, the Committee revised language was discussed. The language indicated that negotiation and mediation would be required prior to taking a complaint to the Commission. The Utilities indicated they would need more time to evaluate this provision.

It was also decided that the proposed language pertaining to Networks and Application Fees was acceptable to the working group.

The group reviewed the FERC Large Generator Interconnection Procedure Appendix 2 Interconnection Feasibility Study Agreement. It was discussed that the group should look at similar provisions in the Small Generator Interconnection Procedure Document.

The next workshop will be held on **Thursday, December 15, 2005, from 9:30 a.m. to 4:00 p.m. in the 1<sup>st</sup> Floor Hearing Room at 1200 W. Washington Street, Phoenix, AZ 85007.** A workshop agenda will be forwarded to the group prior to the workshop date.

Attendees at the Distributed Generation Workshop November 18, 2005	
<u>Name</u>	<u>Representing</u>
Erinn Andreasen	Commission Staff
Bob Baltes	Distributed Energy Association of Arizona
Torey Bell	Sulphur Springs Valley Electric Cooperative
Steve Bischoff	Arizona Public Service
Jana Brandt	Salt River Project
Richard Brill	Deluge, Inc.
Christine Brinker	Intermountain CHP Center
Brian Cole	Arizona Public Service
Chris Cook	ASPV/IREC/Sun Edison
David Couture	Tucson Electric Power
Gary Crane	MMR Power Solutions
Travis Cunningham	Salt River Project
Greg Delizio	Arizona Public Service
Pauline Foley	Pinnacle West
Art Fregoso	Tucson Electric Power
Bryan Gernet	Arizona Public Service
Bill Henry	Tucson Electric Power
Kevin Higgins	Arizonans for Electric Choice and Competition
Barbara Keene	Commission Staff
Joe McGuirk	Sun Miner
Bill Murphy	Distributed Energy Association of Arizona
Brian O'Donnell	Southwest Gas
Ron Onate	Arizona Public Service
Valerie Rauluk	Greater Tucson Coalition for Solar Energy
Russ Romney	Curtis, Goodwin, Sullivan, Udall & Schwab
Chuck Skidmore	City of Scottsdale
Aaron Stallings	Mohave Electric Cooperative
John Wallace	Grand Canyon State Electric Cooperative Association
Chris Weathers	Arizona Public Service
Daniel Wilson	Sulphur Springs Valley Electric Cooperative
Tom Yost	Arizona Public Service

Issues List as of November 18, 2005				
Issue	Status	Section	Issue to be Addressed by Working Committee and the DG Working Group	Hot Topic
1	Open	1.1 Applicable Facilities	The issue of interconnecting to a network was identified as a hot topic.	Yes
2		1.2 Categories of Generators	Language clarifying that interconnection for facilities of 10 MW or greater would be processed under FERC guidelines. Language may be suggested by Utilities and DG Advocates.	No
3	Open		Generator categories or levels. What should they be?	No
4		1.3 Screens	Pre-Interconnection Studies and/or Screens. Are they adequate as written?	No
5	Open	Section 1.4 Distributed Generation Types	An overview and definition from IEEE 1547 could be used to describe synchronous, induction, separate, and parallel system. What language should be included?	No
6	Open	Section 2.1 Applicant Rights and Responsibilities	Entire section. References to the customer covering interconnection study costs should be moved to a section that provides a breakdown by generator category or level.	Yes
7	Open	Section 2.2 Utility Rights and Responsibilities	It was discussed that sections a, b, and c. in regard to utility responsibilities service set too low of a standard.	Yes
8	Open		Second sentence of the third paragraph that requires utilities to notify the customer should be discussed.	Yes
9	Open		The issue of utilities having the responsibility to maintain their systems and provide information including information on loads to the applicant.	Yes
10	Open		Last sentence of the third paragraph that states that the utility must assess and identify the benefits of DG if studies are needed should be discussed.	Yes
11	Open	Section 2.3 Easements/Rights of Way	This information should be listed by category of generator or levels.	No
12	Open	Section 2.4 Insurance	Entire section	Yes
13	Open	Section 2.5 Non-Circumvention	Entire section	Yes
14	Open	Section 2.7 Indemnity	Entire section	Yes
15	Open	Section 2.8 Other	Entire section	Yes

		No Additional Requirements		
16	Open	Section 3 Definitions	The following terms should be added to the document and are to be determined: “Distribution,” “Transmission,” “Interconnection Facility,” and “Radial”	No
17	Completed		<p>The following existing definitions are to be determined: “Annualized Period” and “Net Metering.”</p> <p>It was discussed that the definition for “Small Power Production Facility” be obtained from FERC rules.</p> <p>The multiple definitions related to the network system, for instance, “Spot Network;” and “Secondary Spot Network System” should be combined and are to be determined.</p>	No
18	Open		Definitions for “Certified Equipment” and “Network Service” are hot topics and need to be determined.	Yes
19	Completed	Section 4.2 General Process & Procedures	It was discussed that a queuing system should be identified by level of generator.	No
20	Open	Section 4.3 Documentation Requirements	<p>In response to electrical diagram requirements, it was discussed that standard engineering symbols should be adopted and that IEEE could provide a source for reference. In addition, these requirements need to be listed by generator category or level. Which symbols?</p> <p><b>This topic would be addressed in a manual and not the standard.</b></p>	No
21	Open	Section 4.4 Equipment Certification (Option 1, DG Advocate Language)	Subsection d. which refers to the addition of protection equipment at the utilities expense should be discussed.	Yes
22	Open	Section 3.9 Disconnect from or reconnect with the Grid Procedure	Visible disconnect required or not. (Also relates to Section 2.8 No Additional Requirements.)	Yes
23	Open	Section 3.10 Interconnection Dispute Resolution	Dispute resolution generally.	No